

**LIMITED DISTRIBUTION - SENSITIVE ALLEGATION MATERIAL**

**ALLEGATION REVIEW BOARD BRIEFING AND MEETING SUMMARY  
NRR-2000-A-0013  
TAC NUMBER MA8432**

**FACILITIES :** ATLAS FOUNDRY & MACHINE CO. (Atlas) and HOPE CREEK

**TYPE OF ARB:** Initial ARB Meeting **RCVD:** 03/13/00

**DATE OF ARB:** April 11, 2000 1:35pm

**PURPOSE OF ARB:** To discuss allegation and proposed resolution

**CONCERN:**

Atlas is producing castings that do not meet customer purchase order (PO) and American Society of Mechanical Engineers (ASME) Code requirements.

**1. BACKGROUND:**

On March 13, 2000, the Document Control Desk received an allegation from an anonymous alleger stating that castings supplied by Atlas do not comply with customer PO and ASME Code requirements.

Atlas received a PO from Hayward Tyler Inc. (HT) for five sets of castings for the Hope Creek Nuclear Generating Station which is owned and operated by Public Service Electric and Gas (PSE&G). Atlas is a casting manufacturer which holds an ASME Quality Systems Certificate (QSC) and HT is a pump and valve manufacturer which holds various ASME Nuclear Certificates of Authorization (CoA). According to the alleger, some of the PO requirements for the castings included finished machining, hydro testing, liquid penetrant exam to the finished surfaces, Post Weld Heat Treatment (PWHT), ASME SA-351 material, and compliance with ASME Section III, Division 1, Class 3 requirements. Atlas subcontracted the rough and final machining and hydro testing to a company known as EBCO. According to the alleger EBCO's weld procedure, which was approved by Atlas, did not require PWHT and EBCO was not told to document the size and location of the weld repairs. Therefore, the alleger's concern is that although the welds do not represent a safety hazard, they are not in compliance with the PO requirements and the ASME Code. The alleger identified several Atlas and HT PO numbers, casting serial numbers, and six other examples of undocumented welds associated with both nuclear and non-nuclear applications.

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**2. SAFETY SIGNIFICANCE AND BASIS:**

**Concern: Low** - Due to the fact that the allegor stated that the welds do not represent a safety hazard, and are not in compliance with the PO requirements and the ASME Code.

**3. TECHNICAL REVIEW PRIORITY AND BASIS:**

**4. ACTIONS:**

**A. LICENSEE REFERRAL - INCLUDE RATIONALE AND BASIS:**

Based on the discussion above, the staff recommends referral to PSE&G for resolution. The staff's recommendation is based on the following: PSE&G is most familiar with the requirements of their PO to Hayward Tyler for castings for the Hope Creek Generating Station; PSE&G is responsible for assuring that equipment purchased from Hayward Tyler complies with the PO, including applicable ASME Code requirements; PSE&G has the responsibility to audit the implementation of its vendors quality assurance program; specific POs were identified by the allegor which will help to expedite the resolution of the allegor's concerns; Hayward Tyler holds a current ASME CoA while Atlas holds a QSC, and both organizations are routinely audited by ASME and NUPIC for quality program compliance.

The staff will request that PSE&G provide a formal written response to address the issue within 45 days from the date of the referral letter.

(OPEN) Estimated completion: April 28, 2000

**B. PROPOSED INSPECTIONS AND DUE DATES: N/A**

**C. OTHER ACTIONS:**

1. The staff will request through NRR Projects a copy of the most recent Nuclear Procurement Issues Committee (NUPIC) audits of both Hayward Tyler and Atlas including all NUPIC checklists.

(OPEN) Estimated completion: April 14, 2000

2. Following completion of the staff's review of the PSE&G response and the NUPIC reports, the staff will evaluate the need to perform an inspection at Atlas. If the staff evaluation determines that inspection may be necessary the ARB will reconvene.

(OPEN) Estimated completion: June 30, 2000

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3. Should the staff decide not to perform an inspection at Atlas, a formal closure letter will be prepared for the file.

(OPEN) Estimated completion: July 15, 2000

D. PROPOSED INVESTIGATIONS, PRIORITY LEVEL: N/A

5. NON NRR ISSUES (OGC, OE, REGION, ETC.): N/A

BRIEFING SHEET PREPARED BY/DATE: Robert L. Pettis, Jr./April 5, 2000.

#### ARB SECTION

ARB BASIS FOR THE ABOVE RESOLUTION ACTIVITIES:

The staff agreed with the resolution plan as modified during the ARB.

ARB CHAIRMAN: B. Boger

ARB MEMBER: E. Adensam

SENIOR ALLEGATION COORDINATOR: G. Cwalina, F. Tobler

ADDITIONAL PARTICIPANTS: T. Quay, M. McAllister, A. Madison, R. Ennis, R. Pettis, R. McIntyre, K. Richards

Technical contact is underlined

**Distribution:**

B. Sheron, NRR  
D. Dambly, OGC  
G. Claxton, OI  
T. Quay, NRR  
A. Madison, NRR  
R. McIntyre, NRR  
B. Rogers, NRR  
R. Ennis, NRR  
R. Pettis, NRR  
D. Vito, RI  
Allegation File

ARB MINUTES REVIEWED AND APPROVED AT THE ARB

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